



NEWS RELEASE

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FORMER REAL ESTATE AGENT ADMITS CASH BACK SCHEME

Anchorage, Alaska – United States Attorney Nelson P. Cohen announced today, March 24, 2008, that Michael John Sorensen, Jr., of Anchorage, Alaska, pleaded guilty to wire fraud in federal court in Anchorage.

Sorensen, age 40, of 18728 Snowy Plover Circle in Anchorage, pleaded guilty to one count of wire fraud before United States District Court Judge Timothy M. Burgess.

In connection with the guilty plea, Assistant United States Attorney Retta Randall advised the court that Sorensen was a real estate agent licensed by the State of Alaska and an associate broker with ReMax Properties, Inc. Sorensen also owned a remodeling and construction company called Right Way Construction. Using Right Way Construction, Sorensen devised a scheme to obtain money by means of material false representations. The purpose of his scheme was to financially assist buyers and defraud various mortgage lenders by submitting false invoices from Right Way Construction to title companies, who then prepared false settlement statements which reflected payments for repairs and remodeling work which were never done to the properties. The false settlement statements were relied upon by the mortgage companies when they wired funds for the mortgage loans from outside the State of Alaska to title companies in Alaska who conducted the closing on each transaction. The amounts paid by the title companies to Right Way Construction pursuant to the false invoices were then given to the buyers by Sorensen after closing as a “cash-back scheme” without the knowledge of the mortgage lenders. Cash backs operate by falsely inflating the sales price of a property.

Sorensen surrendered his real estate license and pursuant to a plea agreement filed with the court, also agreed to pay a fine, which, at a minimum, will equal the total of the commissions he personally received from the sales of the properties alleged in the indictment.

Judge Burgess scheduled sentencing for Friday, May 30, 2008, at 9:00 a.m. The law provides for a total sentence of 20 years in prison, a fine of \$250,000, or both. Under the Federal Sentencing Guidelines, the actual sentence imposed is based upon the seriousness of the offense and the criminal history, if any, of the defendant.

Pending sentencing, the court continued Sorensen on bond.

The Federal Bureau of Investigation conducted the investigation that led to the prosecution of Sorensen.

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